

House Bill 524

By: Representatives Rogers of the 26th, Brown of the 69th, Harbin of the 118th, Jones of the 46th, and Reece of the 27th

A BILL TO BE ENTITLED

AN ACT

1 To amend Part 6 of Article 17 of Chapter 2 of Title 20 of the Official Code of Georgia
2 Annotated, relating to health insurance plans, so as to provide that the commissioner of
3 community health may combine the health insurance funds for public school teachers and
4 public school employees with other health insurance funds for public employees; to provide
5 for the payment of health insurance premiums by certain retired employees; to provide for
6 the method of determining the employer contribution to the fund; to provide for suspension
7 of benefits if the employer contribution is not paid in full; to amend Article 1 of Chapter 18
8 of Title 45 of the Official Code of Georgia Annotated, relating to the health insurance fund
9 for public employees, so as to provide that the commissioner of community health may
10 combine the health insurance fund for public employees with other health insurance funds
11 for public employees; to provide for the payment of health insurance premiums by certain
12 retired employees; to provide for the method of determining the employer contribution to the
13 fund; to provide for suspension of benefits if the employer contribution is not paid in full; to
14 provide for related matters; to repeal conflicting laws; and for other purposes.

15 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

16 **SECTION 1.**

17 Part 6 of Article 17 of Chapter 2 of Title 20 of the Official Code of Georgia Annotated,
18 relating to health insurance plans, is amended by adding a new subsection (c) to Code
19 Section 20-2-891, relating to health insurance fund for public school teachers, to read as
20 follows:

21 "(c) Notwithstanding any provision of law to the contrary, the commissioner may combine
22 the fund provided for in this Code section with the funds provided for in Code Section
23 20-2-918 and Code Section 45-18-12."

SECTION 2.

Said part is further amended by striking subsection (b) of Code Section 20-2-892, relating to contributions by employees, state, and local employers, and inserting in lieu thereof a new subsection (b) to read as follows:

"(b) As the local employer's share, the local employer shall contribute to the health insurance fund such portion of the cost of such benefits as may be established by the Governor and the board ~~based on a percentage of the total outlay for the salaries of teachers employed by the local employer~~ and, in addition thereto, an amount to be established by the board to defray the cost of administration. The board shall determine whether such portion shall be determined based upon a percentage of the total outlay for the salaries of teachers employed by the local employer or determined on an amount per employee electing coverage under the plan based on the coverage elected, in accordance with the appropriation of funds. In the event that the commissioner shall determine that a local employer has failed to contribute the full amount of such portion, as calculated by the commissioner, the commissioner is authorized to suspend the benefits afforded by this subpart until such contributions have been paid in full."

SECTION 3.

Said part is further amended by striking subsection (a) of Code Section 20-2-915, relating to coverage for retiring and retired public school and certain community college employees and dependents, and inserting in lieu thereof a new subsection (a) to read as follows:

"(a) The contract or contracts shall provide for health insurance for retiring public school employees and their spouses and dependent children, as defined by the regulations of the board, under such terms as the board may deem appropriate. The board shall adopt regulations prescribing the conditions under which an employee or retiring employee may elect to participate in or withdraw from the health insurance plan; provided, however, that any such persons who are eligible to receive a benefit under Chapter 3 or 4 of Title 47 shall be entitled to continue health benefit coverage from active service by authorizing deductions from the retiree's retirement benefit or by paying a ~~quarterly~~ premium directly to the board as provided by the rules and regulations of the board. For retirees who pay directly, the participation rate shall be the same as the rate charged to other retired direct payees. Surviving spouses of direct paying retirees shall be eligible to continue coverage at the death of the retiree under the same conditions as the retiree but shall not be eligible to include additional persons in the contract after the retiree's death. The board may limit the choices of direct paying retirees to the level of coverage supported by the employer contribution authorized under this Code section."

SECTION 4.

Said part is further amended by striking Code Section 20-2-918, relating to health insurance fund for public school employees, and inserting in lieu thereof a new Code Section 20-2-918 to read as follows:

"20-2-918.

(a) There is created a health insurance fund for public school employees. The fund shall be available without fiscal year limitations for premiums, subscription charges, benefits, and administration costs. The amounts contributed by the state or from federal funds pursuant to this subpart shall be credited to such health insurance fund. All other income, including the income derived from dividends, premium rate adjustments, or other refunds under any such contract or contracts, shall be credited to and constitute a part of such fund. Any amounts remaining in such fund after all premiums or subscription charges and other expenses have been paid shall be retained in such fund as a special reserve for adverse fluctuation. The commissioner shall be the custodian of such health insurance fund and shall be responsible under a properly approved bond for all moneys coming into the fund and paid out of the fund as may be required to be paid to any contracting qualified entity under any contract entered into pursuant to this subpart and to cover administrative costs.

(b) Notwithstanding any provision of law to the contrary, the commissioner may combine the fund provided for in this Code section with the funds provided for in Code Section 20-2-891 and Code Section 45-18-12."

SECTION 5.

Said part is further amended by striking subsection (b) of Code Section 20-2-920, relating to withholding or deducting employees' contributions, and inserting in lieu thereof a new subsection (b) to read as follows:

"(b) The Department of Education and local school systems shall contribute to the health insurance fund such portion of the costs of such benefits as may be established by the board to maintain the employee contributions consistent with other health insurance plans administered by the board. In the event that the commissioner shall determine that a local employer has failed to contribute the full amount of such portion, as calculated by the commissioner, the commissioner is authorized to suspend the benefits afforded by this subpart until such contributions have been paid in full."

SECTION 6.

Article 1 of Chapter 18 of Title 45 of the Official Code of Georgia Annotated, relating to the health insurance fund for public employees, is amended by striking Code Section 45-18-12,

relating to creation of health insurance fund, and inserting in lieu thereof a new Code Section 45-18-12 to read as follows:

"45-18-12.

(a) There is created a health insurance fund which shall be available without fiscal year limitations for premium, subscription charge, benefits, and administration costs. The amounts withheld from employees and retired employees under this article, all amounts contributed by the state or from federal funds to such health insurance fund, and all amounts contributed by any state authority pursuant to this article shall be credited to such health insurance fund. All other income, as well as the income derived from any dividends, premium rate adjustments, or other refunds under any contract or contracts, shall be credited to and constitute a part of such fund. Any amounts remaining in such fund after all premiums or subscription charges and other expenses have been paid shall be retained in such fund as a special reserve for adverse fluctuation. The commissioner of community health shall be executive officer of the Board of Community Health for the administration of this article and custodian of such health insurance fund and shall be responsible under a properly approved bond for all moneys coming into said fund and paid out of said fund as may be required to be paid to any contracting corporation under any contract entered into pursuant to this article and to cover administrative costs.

(b) Notwithstanding any provision of law to the contrary, the commissioner may combine the fund provided for in this Code section with the funds provided for in Code Section 20-2-891 and Code Section 20-2-918."

SECTION 7.

Said article is further amended by striking Code Section 45-18-14, relating to deductions from compensation and benefit payments of share of cost of coverage under plan of employees, and inserting in lieu thereof a new Code Section 45-18-14 to read as follows:

"45-18-14.

(a) During any period in which an employee is covered under this article prior to the date of his retirement, there shall be withheld from each salary payment or other compensation of such employee, as his share of the cost of coverage under this plan, such portion of the premium or subscription charges under the terms of any contract or contracts issued in accordance with this article as may be established by the board. During any month in which benefits are being paid by the Employees' Retirement System of Georgia to an individual so covered under this program, contributions in the amounts prescribed by the board shall be deducted from such payments with the consent of the recipient. The various departments, boards, and agencies of the state government shall contribute to the health insurance fund such portions of the cost of such benefits as may be established by the board

1 and the Governor as funds become available in each department, board, and agency, based
2 ~~on a percentage of the total outlay for personal services~~ in addition to an amount to be
3 established by the board to defray the cost of administration and the state's portion of the
4 cost of benefits payable for annuitants. The legislative fiscal officer shall contribute to the
5 health insurance fund as an employer payment for and on behalf of all members of the
6 General Assembly and its administrative and clerical personnel. The Department of
7 Administrative Services shall contribute to the fund as an employer payment for and on
8 behalf of district attorneys, assistant district attorneys appointed pursuant to Code Section
9 15-18-14, and secretaries and law clerks of the superior courts of the state and secretaries
10 employed by district attorneys. The amount of such contributions shall be such portions
11 of the costs of such benefits as may be established by the board ~~as a percent of the total~~
12 ~~outlay of services rendered by members of the General Assembly, its administrative and~~
13 ~~clerical personnel, and the district attorneys of the superior courts of the state;~~ and, in
14 addition thereto, an amount to be established by the board shall be contributed to defray the
15 costs of administration. The board shall determine whether such employer portion shall
16 be determined based upon a percentage of the total outlay for personal services or
17 determined on an amount per employee electing coverage under the plan based on the
18 coverage elected, in accordance with the appropriation of funds.

19 (b) If an employee has been eligible for coverage under the state health insurance plan for
20 a period of ten years and is discharged from employment and the discharge is under appeal
21 to the State Personnel Board, such employee shall be entitled to continue coverage by
22 paying the employee contribution under the health insurance plan until the State Personnel
23 Board has rendered a decision or for a period of six months, whichever is less."

24 SECTION 8.

25 All laws and parts of laws in conflict with this Act are repealed.